

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA,

Plaintiff,

v.

JOHN E. KNAPP,
EVERGREEN INSTALLATION LLC,
NICOLLE M. SCALISE,
KING COUNTY,
CENTEX HOME EQUITY COMPANY, LLC,
SAKAGUCHI, FELLBECK & REESE PLLC,
WASHINGTON STATE,
SPECIALIZED LOAN SERVICING LLC, and
CITY OF CARNATION,

Defendants.

Case No. 2:22-cv-462

[PROPOSED] JUDGMENT

The United States, John E. Knapp, Evergreen Installation LLC, Specialized Loan Servicing LLC, and King County (collectively the “Parties”), have jointly filed a Stipulation for Entry of Judgment. Dkt. 45. In light of the stipulation and the record herein, and for good cause shown, it is hereby ORDERED and ADJUDGED as follows:

1 1. Judgment is entered in favor of the United States and against John E. Knapp,
2 Evergreen Installation LLC, Specialized Loan Servicing LLC, and King County.

3 2. Mr. Knapp is indebted to the United States for unpaid federal income taxes (Form
4 1040) for the 2013, 2014, 2015, 2016, 2017, and 2018 tax years in the total amount of
5 \$56,739.51, as of November 10, 2022, plus statutory interest and other statutory additions as
6 provided by law, pursuant to 26 U.S.C. §§ 6601, 6621 and 6622 and 28 U.S.C. §§ 1961(c), until
7 paid.

8 3. Mr. Knapp, in his individual capacity and as sole member of Evergreen
9 Installation, is indebted to the United States for unpaid employment and unemployment taxes
10 (Form 941 and Forms 940) for the periods ending December 31, 2007, March 31, 2008, June 30,
11 2008, September 30, 2009, and December 31, 2008 in the total amount of \$107,030.18, as of
12 November 10, 2022, plus statutory interest and other statutory additions as provided by law,
13 pursuant to 26 U.S.C. §§ 6601, 6621 and 6622 and 28 U.S.C. §§ 1961(c), until paid.

14 4. Federal tax liens encumber the real property located at 4906 328th Ave. NE
15 Carnation, Washington 98014 (Parcel Number 117000-0460-05) (“Subject Property”). These
16 federal tax liens relate to John E. Knapp and Nicolle M. Scalise’s joint federal income tax
17 liability for year 2013, Mr. Knapp’s federal income liabilities for tax years 2014, 2015, 2016,
18 2017, and 2018, and Mr. Knapp’s federal employment and unemployment liabilities for tax years
19 2007 and 2008, as set forth above in paragraphs 2 and 3.

20 5. King County claims an interest in the Subject Property based on real property
21 taxes.

22 6. Specialized Loan Servicing LLC claims an interest in the Subject Property as the
23 servicer of an outstanding mortgage via a deed of trust filed on August 23, 2005, Instrument
24 Number 2005-0823002032.

1 7. With regard to the Subject Property:

- 2 a. The federal tax liens may be foreclosed against the Subject Property.
- 3 b. Any sale of the Subject Property shall be free and clear of all interests of the
- 4 parties to the suit, and that any such interests or liens be satisfied from the
- 5 proceeds of sale in the order that follows, until such proceeds are exhausted.
- 6 c. Any Order by this Court permitting the sale of the Subject Property shall provide
- 7 that the sale proceeds will be distributed:
- 8 i. First for the costs and expenses of sale;
- 9 ii. Second to King County for any real property tax and/or special assessment
- 10 liens that are entitled to priority over prior security interests under Washington
- 11 law and pursuant to 26 U.S.C. § 6323(b)(6), if any exist, and such amount will
- 12 be pro-rated through the date of the sale confirmation;
- 13 iii. Third to the Specialized Loan Servicing LLC for its lien described in
- 14 paragraph 13 of this Stipulation, in an amount according to proof at that time;
- 15 iv. Fourth, to the United States to satisfy the federal tax liens described in
- 16 paragraphs 6 and 7 of this Stipulation, in an amount according to proof at that
- 17 time; and
- 18 v. Finally, if any proceeds remain, to the remaining Defendants according to
- 19 their relative interests as determined by the Court.

20 8. Upon written request of the United States, Specialized Loan Servicing LLC, or

21 King County will promptly provide the United States with a statement of the current balances

22 due and owing on the interests described above, if any, to a date certain plus a per diem figure

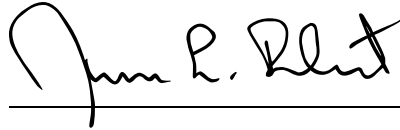
23 accruing thereafter.

24 9. Parties to this Stipulation shall bear their own costs and attorney's fees incurred

1 with respect to this litigation.

2 IT IS SO ORDERED.

3 Dated this 19th day of December, 2022.

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6 JAMES L. ROBART
UNITED STATES DISTRICT COURT JUDGE